FBIS DAILY REPORT

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CHILE, ARGENTINA TO ISSUE DECLARATION ON BORDER TALKS

PY021153Y Santiago Chile Domestic Service in Spanish 1000 GMT 2 Nov 78 PY

[Text] An official declaration regarding the Chilean-Argentine border conflict will be issued today. The Chilean-Argentine commission met until late last night to try to solve the border disputes.

Ricardo Etcheverry, the head of the Argentine delegation, has stated that the work which has been carried out until now can be considered positive for the two parties.

The negotiators held two sessions at the Sheraton-San Cristobal Hotel. The first meeting was held in the morning and a second meeting, which started at 1800, lasted until after 2200.

Etcheverry said that a new plenum meeting will be held today at the Argentine Embassy. It is believed that a document will be issued around noon today. This document will be submitted to the Argentine and Chilean governments for their consideration

Etcheverry stated: I would say that with the document to be drafted today, tensions between our two countries will end. He added that both Presidents Videla and Pinochet will have to study these proposals in accordance with the third stage which is included in the Puerto Montt Act.

It was learned that an agreement on the following three issues has not been achieved: the demarcation of the border in the southern region; issues concerning the Strait of Magellan; and issues concerning the straight base lines [lineas de base].

Argentina maintains that the demarcation is valid both on sea and land while Chile maintains that it is only negotiating the demarcation of sea boundaries.

SELA SECRETARY REPORTS ON NEGOTIATIONS WITH CEMA

FL011407Y Havana Domestic Service in Spanish 1200 GMT 1 Nov 78 FL

[Text] Jaime Moncayo, permanent secretary of the Latin American Economic System [SELA], has announced in San Jose, Costa Rica, that the negotiations being conducted with CEMA to define areas of cooperation will shortly be completed. Moncayo explained to the Costa Rican congressmen meeting in a legislative session that SELA is the first authentic regional organization for economic development.

Among the SELA objectives, he mentioned the promotion of economic cooperation programs to be sponsored and coordinated subregionally in permanent form through consultations with all Latin American countries.

MAJORITY OF MINISTERS TO BE NAMED BY 3 NOVEMBER

PY020233Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 0138 GMT 2 Nov 78 PY

[Text] Buenos Aires, 1 Nov (NA)--Well-informed sources indicated today that the names of the foreign, defense, justice, social welfare and education ministers will be announced on Friday and they will be installed on Monday. This will conclude the first stage of the cabinet reorganization, which gave rise to a large number of rumors over the last few days.

During the course of the day, no official information was released on the subject, but despite this the number of alarmist rumors decreased notably. On Tuesday, rumors had reached a peak without precedent in the current government's tenure.

If within the next 48 hours these appointments are confirmed, the new national cabinet will be virtually complete because eight of the nine ministries will have been given new leaders.

The remaining ministry, planning, will remain vacant because the ministry law must be modified to convert this to a secretariat before its leader can be named.

According to the sources, the post of foreign minister was formally offered to air force BrigGen Carlos Washington Pastor (Ret) yesterday by the president.

According to the Foreign Ministry, the appointment of a new minister will not imply changes in the ministry's high-ranking posts. Navy Capt Gualter Allara, air force Col Raul Cura and Col Ernesto Repetto Pelaez will remain at the head of the foreign relations, international economic relations and general under secretariats, respectively.

An offer of the Defense Ministry to navy Capt David Rogelio de la Riva (Ret) seems to have been made, and the appointments of Alberto Rodriguez Varela and Juan Llerena Amadeo to the justice and education ministries can be taken for granted.

In the case of Llerena Amadeo, it has been said that he proposed the names of his close collaborators to the executive branch, but they have not yet been accepted by higher authorities.

There remains the decision to appoint a replacement for Vice Adm Julio Juan Bardi in the Social Welfare Ministry. This post will presumably be offered to a retired high-ranking navy officer.

The most insistent rumors today indicated Rear Adm Jorge Fraga (Ret) as the candidate with the greatest possibilities. Fraga was national director for the Antarctic until recently.

One source says the alternative to Fraga may be Rear Adm Raul Franco (Ret).

This would fill the five ministries which are now vacant since the president requested the resignations of their leaders.

Interior Minister Gen Albano Harguindeguy and Economy Minister Jose Martinez de Hoz have been confirmed in their posts. The only unknown factor is the person to replace Gen Horacio Tomas Liendo in the Labor Ministry when he is assigned a military job.

Sources close to Government House confirmed today that the replacement of General Liendo will occur in mid-December and that his successor will be a retired army general.

This seems to deny rumors circulating last week that Brig Gen Adolfo Sigwald, current military attache to the Argentine Embassy in Washington, would be named labor minister.

As of next week, the reorganization of the national cabinet will add another civilian minister, in justice, and the air force will have one ministry less but will exchange the Defense Ministry--which will be headed by a navy officer--for the Foreign Ministry.

In addition, if there are no new changes, as of next January the only active duty military officer heading a ministry will be Gen Albano Harguindeguy, at the Interior Ministry.

COOPERATION TALKS WITH PARAGUAY CONCLUDE

PY011410Y Buenos Aires Domestic Service in Spanish 1030 GMT 1 Nov 78 PY

[Text] The joint Argentine-Paraguayan cooperation and coordination commission ended its deliberations last night and reported that it has analyzed trade, wheat supply to Paraguay and the possibilities for expanding the list of products for which the Argentine National Bank has granted a credit of $20 million through the Paraguayan Development Bank.

The commission also studied the creation of free trade zones, barge dockings, as well as matters related to transport, communications, tourism and administrative infrastructure.

The deliberations were closed with the signing of an act in the Commerce and International Economic Negotiations Secretariat by the head of this secretariat, Alejandro Andrada, and by the Paraguayan Industry and Commerce Minister Delfin Ugarte Centurion.

MARTINEZ STRESSES NEED FOR ACTION AGAINST PROTECTIONISM

PY010029Y Buenos Aires TELAM in Spanish 2015 GMT 31 Oct 78 PY

[Text] Buenos Aires, 31 Oct (TELAM)--Economy Minister Jose Martinez de Hoz emphasized today the importance of the Latin American countries establishing joint guidelines in view of the new phase of protectionism imposed by the developed countries.

He made this remark at the opening of the technical meeting on developed countries' protectionism organized by the Economic Commission for Latin America [ECLA], which will close on Friday in this capital.

Before entering the ECLA office, Martinez de Hoz repeated: The salary policy has already been defined, and we believe that because of the flexibility which will allow readjustments to make it more effective, an adequate method exists for maintaining and gradually improving purchasing power.

During the ECLA meeting, the minister asserted: The new international situation can be viewed as a chain reaction which endangers much of the progress of the developing countries because international trade acts as a veritable driving force in the evolution of our nations.

He recalled that the energy crisis has changed the world's economic order. He said: "The industrialized countries cannot face the costs of energy, and this promotes internal problems regarding high inflation and recession."

This situation coincides with a process in which developing countries are creating an opening in their economies and promoting their exports, but this effort is not having the desired results because the industrialized countries, intent on overcoming their own crises and internal pressures, have increased their protectionism. Before protectionism, pressure was applied only in the area of basic products, but now it has been extended to industrial products as well. Many developing countries have made a great effort to establish their economies and increase production in order to compete on a world scale, but they cannot achieve this in face of the unequal situation created by the protectionism of developed countries.

Martinez maintained that the policy applied by these countries contains basic faults and that they must quickly reorganize their economies.

He said: "The developing nations are being affected by measures which will in the end affect the industrialized countries themselves because they are taking away the purchasing power of other countries."

The minister indicated his belief that this is a vicious circle in which a policy of immediate circumstances does not take into account the most important aspect: Medium- and long-term effects. He cited studies by the World Bank and famous economists which have indicated the error in this excessive tariff protectionism.

Martinez de Hoz also believes that a reduction in international trade would harm everyone equally and not just one sector.

He maintained that a thorough structural study at national, regional and international levels is needed, which he believes could be properly carried out in this forum. The position outlined must define the policy of developing countries in this situation.

Noting the current internal policy of proposing an opening of the economy as a path to strengthen the capability for growth, while the majority of countries are practicing protectionism and closing off their economies, Martinez de Hoz called this latter concept mistaken.

Before anything else, he said, it is necessary to establish national priorities and determine the way in which to express them at the international level. Economic opening must not change course, even in face of the trends originating in other countries.

When talking with reporters prior to his speech, the minister asserted: When experiencing a process of readjustment and reorganization as large as the one we have been carrying out for the last 30 months, we cannot talk about normality.

He said: "We are in the midst of a program of adjustments and changes which has produced important results in some sectors."

Asked whether the fall of the dollar affects the Argentine economy, the minister indicated that it does so in various ways: It favors our international trade in relation to those countries which have more stable currencies at this time. The dollar's devaluation multiplies, to a certain extent, our own devaluation and our own competition in foreign markets, but it harms us when our imports come from countries which have stronger currencies that have been revalued with respect to the dollar.

PEREDA FACES FIRST CRISIS AS CABINET RESIGNS

PY012123Y Paris AFP in Spanish 2114 GMT 1 Nov 78 PY

[Text] La Paz, 1 Nov (AFP)--It was confirmed here today that all ministers of the Bolivian Cabinet have resigned, unleashing the first crisis faced by the government of President Juan Pereda.

This cabinet crisis is the first experienced by General Pereda since he assumed his post 100 days ago. The resignation tendered yesterday by Gaston Moreira, minister of housing and urban development, paved the way for the mass resignation of Pereda's cabinet, which is comprised primarily of civilians. According to persistent rumors, the next Bolivian Cabinet will be mostly military.

More on Cabinet Resignation

PY020101Y La Paz Radio Panamericana Network in Spanish 0000 GMT 2 Nov 78 PY

[Excerpts] The members of President Pereda's cabinet today submitted their unsolicited resignations upon completion of the first stage of the government installed on 21 July. After a meeting at the office of Foreign Minister Ricardo Anaya, the ministers decided to submit their note of resignation to the chief of state, which they did at 1630 this afternoon.

Among other things, the note states: We have the honor of addressing this letter to Your Excellency to convey to you that, since we consider that the first stage of the political process which began on 21 July has concluded, we deem it appropriate to give you freedom of action to reorganize the Council of Ministers.

The note adds: Under Your Excellency's guidance, we have contributed to laying the foundations for restoring an effective democracy and for promoting socioeconomic development. We would like to express our strong desire that the national government continue with its great effort to guarantee peace, progress and freedom.

After delivering the resignation note to the president as the head of the cabinet, Foreign Minister Anaya Arze told the press that since this first stage has concluded, it is a prerogative of President Pereda to reorganize, as he sees fit, the ministerial cabinet.

Outgoing Interior Minister Faustino Rico Toro stated that steps are being taken to maintain an atmosphere of peace and tranquillity in the country within the framework established by President Pereda's government.

There is growing speculation in communications media circles about names of future ministers, especially of military officers who share the president's ideological ideas.

ANAYA DISCUSSES CABINET CHANGES; TAPIA TO OAS

PY011620Y La Paz Radio Panamericana Network in Spanish 1130 GMT 1 Nov 78 PY

[Excerpt] The restructuring of the cabinet, in which there are more military than civilian members, is the president's exclusive function. This opinion has been expressed by Foreign Minister Ricardo Anaya Arze to the newsmen accredited at the Government Palace. The foreign minister thus confirmed the news released by our news service regarding a cabinet reorganization.

[Begin recording] [Anaya] [Words indistinct] that it is the president's exclusive right to make changes in his cabinet whenever he believes this to be appropriate.

[Question] Do you think the cabinet change will come soon?

[Answer] I have no idea when the president intends to take that measure. [end recording]

The announcement on the reorganization of the cabinet, which cooperates with the president, was made by Gen Angelhugo Salmon, commander in chief of the armed forces.

In his talk with the newsmen, the foreign minister said that Edwin Tapia Frontanilla, now industry and commerce minister, has been appointed Bolivian ambassador to the OAS. He said that the exact date of his trip to this new post will become known within the next few days. He will replace Fernando Ortiz Sanz.

SOCIALIST PARTY SAYS PLOT HAD MILITARY ORIGIN

PY011802Y La Paz Radio Panamericana Network in Spanish 1700 GMT 1 Nov 78 PY

[Text] The aborted plot--admitted by the commander of the armed forces--was not hatched in political organizations opposed to the government, but in the very ranks of the armed forces, according to a communique of the Bolivian Socialist Party [PSB] regarding recent events in the country. The communique is signed by the party's secretary of propaganda and publicity. The communique added that the forces behind the plot were not labor and political leaders--who are under arrest--but officers on active duty whose names and degree of involvement are being withheld. This proved that the threat to the government is posed by the armed forces itself--a threat which is not motivated by personal ambition, but by the sharpening of contradictions within the military institution. Finally, the PSB asked the government for the immediate constitutionalization of the country.

TROOPS REMAIN ON ALERT DUE TO ABORTIVE PLOT

PY011319Y Buenos Aires TELAM in Spanish 1120 GMT 1 Nov 78 PY

[Text] La Paz, 1 Nov (TELAM-DPA)--Bolivian Armed Forces Commander Gen Angel Salmon revealed last night in La Paz that military troops are remaining on a state of alert within their barracks and that a state of military emergency has been declared after a subversive plot against the government of Gen Juan Pereda was discovered. He confirmed that some low-ranking members of the armed forces who were involved in the subversive plot will be tried by military courts.

The declaration of the armed forces commander following that of the nation's president was made as he left the Government Palace, where a meeting of military chiefs had been called by President Pereda. General Salmon added that the attempted coup--the first against the new government--did not arouse interest within the ranks of the armed forces.

Finally, General Salmon called upon the citizenry to remain calm and sensible and not take sides with the senseless attitude of extremists who have no respect for the freedom granted by the government in a very democratic atmosphere. After the plot was discovered, five leaders of the Opposition Front of Democratic and Popular Unity (FUDP) were arrested.

PDC ASKS REGIME TO RESPECT HUMAN RIGHTS

PY011627Y La Paz Radio Panamericana Network in Spanish 1130 GMT 1 Nov 78 PY

[Text] In a communique signed by the top leaders of the Christian Democratic Party [PDC], the governor has been asked to respect human rights once the constitution is in force. The PDC states further: In view of the reported arrest of opposition leaders by the government in order to return to the state of repression which was formerly maintained as a government norm, the PDC requests that those arrested be placed immediately at the disposal of common justice. [passage indistinct]

It also says the PDC believes that no demonstration is feasible unless laws and human rights are respected. Therefore, if there is to be a constitutionalization, the PDC requests respect for the laws and compliance with them. It concludes by stating the opinion that respect for labor and political organizations should be a permanent [words indistinct] during a transition process.

PRESENCIA VIEWS COOPERATION WITH ARGENTINA

PY310255Y La Paz PRESENCIA in Spanish 27 Oct 78 p 3 PY

[Editorial: "Argentina and Bolivia"]

[Text] The recent meeting between the presidents of Argentina and Bolivia has served to ratify the feelings of friendship, the desire for mutual cooperation and the intention of carrying out joint projects between the two nations.

It simultaneously confirmed something which has been said for a long time but which has not been put into practice very often: That cooperation for development should not always be thought of as something given by rich, developed countries to the poor and underdeveloped. Sometimes we should also think first of the cooperation which the countries of the Third World can give each other, particularly when one country is more advanced and can help with financial resources or technical assistance. In some cases, this cooperation perhaps does not have a wide range but can produce good results because this transfer, particularly of technology, is between similar countries, and effort needed for adaptation is therefore not so great. Many times this effort has to be quite large when there is a considerable gap between the giver and the receiver.

Also, this cooperation, this progress along the same path, is helped by a common history. Except for the times when there were disagreements between the two countries, there was understanding, and in many cases common interest. Argentina and Bolivia have no pending problems. There is nothing between them to create the possibility of conflicts. No seeds of discord have been planted, and, therefore, there is no need to fear the growth of bitter fruits contrary to friendly coexistence.

On the contrary, we have a future open to many contacts, to many possibilities of cooperation and integration. Therefore, this road can be traveled by the two nations.

We can even say this with regard to two points included in the presidential declaration: On one side, there is the Argentine agreement to support Bolivia in its just desire for an outlet to the sea with its own port; and on the other side, there is Bolivia's support for the also-just Argentine desire to regain sovereignty over the Malvinas and to maintain sovereignty in the South Atlantic. [paragraph continues]

These are two cases and two aspirations which have a common root: Usurpations encouraged by imperialism and carried out through its own means or through servile interests. Therefore, it can be said in all cases that Argentina and Bolivia intend to have their rights respected against abuse perpetrated through force.

With this background, it is natural that Argentina and Bolivia can work together to strengthen their traditional links of friendship, with mutual respect untouched by hegemonic ambitions which still exist in South America, but which should be resisted from the start to prevent them from becoming serious problems.

At the same time, it should be emphasized that this meeting does not involve any military alliance or intent to prepare threats against anyone or disturb the peace which should prevail in our continent. The agreement reached is only a cordial cooperation and support for the just aspirations of the two countries. Peace may be endangered only when these aspirations are not respected or met by those who, through violence, created the conditions which favor instability in relations among the countries of the Americas. The agreements reached by the presidents of Argentina and Bolivia should be interpreted as equitable and far-sighted.

FUDP PROTESTS U.S. PRESSURE ON ZINC FOUNDRY

PY280222Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 27 Oct 78 PY

[Text] The Popular Democratic Unity Front [FUDP] disclosed a protest statement to the press today. The FUDP, a political alliance which opposes the present regime, intercepted a cable from New York sent to the Foreign Ministry by the ambassador [to the United Nations] reporting very obvious pressure by the Carter government to have Bolivia implement its zinc foundry project using U.S. and not German technology. In exchange, the U.S. would refrain from selling its strategic tin reserves on the international market. The cable, which is included in a FUDP letter to Foreign Minister Ricardo Anaya, states:

"For the immediate information of the president of the republic, their excellencies the ministers of mining and energy, planning. and industry and commerce: Met with Senate Foreign Relations Committee. Complete list [of participants] enclosed in note dated yesterday. Discussed tin sale and interest in technological transfer for zinc foundry by U.S. companies. Committee noted unfavorable technological dependence on Germany in foundry issue. Discussed this matter only with U.S. ambassador in La Paz. Respectfully advise negotiation on this and other factors in effort to prevent tin aggression. [Words indistinct] UN assembly."

The last part of the cable is the most important. The FUDP is asking Foreign Minister Anaya to confirm the veracity of the document. Because of the seriousness of the matter, the FUDP suggests the (?recall) of the government's representatives to the United Nations for having acted against the nation's interests and for having sided with foreign and antinational interests, thus aiding interference in our domestic affairs and affecting our sovereignty.

MINISTER RANKS U.S. AS NUMBER THREE TRADE PARTNER

PY011709Y Rio de Janeiro O GLOBO in Portuguese 31 Oct 78 p 21 PY

[Excerpt] Brasilia--Foreign Minister Azeredo da Silveira said yesterday that the United States is now in third place as Brazil's economic partner, stressing the closer association with Western Europe, particularly the FRG.

The foreign minister said this in opening the fifth session of the FRG-Brazilian joint economic cooperation commission, which began yesterday in Itamaraty with the participation of representatives of the governments, the national industrial confederation and the national trade confederation of the two countries.

According to the foreign minister, West Europe is currently Brazil's first-ranking partner in economic relations, while a group of developing countries are in second place and the United States is in third place.

FIGUEIREDO EXPECTS CLOSER TIES WITH JAPAN

PY011821Y Rio de Janeiro O GLOBO in Portuguese 31 Oct 78 p 33 PY

[Text] In an interview published in a Japanese newspaper yesterday, President-elect Gen Joao Baptista Figueiredo said that he expects an improvement in economic relations between Brazil and Japan. Figueiredo said: "The present situation of economic relations between the two countries cannot be considered satisfactory."

The interview was granted in Brasilia last Sunday to the newspaper NIHON KEIZAI SHIMBUN, which specializes in economic matters.

Figueiredo stated that the two countries are complementary in the economic field, since Japan has capital and technology while Brazil has natural resources and a flexible labor force.

He added that he hopes Japan will provide Brazil with more technology to manufacture high-priced products in demand on the international market.

Figueiredo also expressed hope that Japan will buy more industrial products from Brazil. Japan's imports from Brazil last year totaled $947 million, but basically consisted of iron ore, manganese, coffee, cotton, cocoa and other agricultural products. Brazil last year brought $840 million worth of industrial products from Japan.

Figueiredo explained that he does not intend to implement a policy leading to a high rate of growth by accelerating a form of industrialization dependent on foreign technology and capital. Figueiredo said: "In this aspect, Japan, as it was in the fifties, can be a good model for Brazil."

According to Figueiredo, Brazil should first acquire technology through modest economic growth, thus creating the technology for its own development.

2D ARMY COMMANDER PROPOSED FOR MILITARY COURT

PY012314Y Brasilia Domestic Service in Portuguese 2200 GMT 1 Nov 78 PY

[Text] The president today proposed to the Federal Senate the appointment of Gen Dilermando Gomes Monteiro as justice of the Superior Military Court. General Gomes Monteiro, who is now commander of the 2d Army, will replace retiring Gen Augusto Fragoso.

PINOCHET TERMS ARGENTINE ACTIONS 'SABER RATTLING'

PY012125Y Paris AFP in Spanish 1904 GMT 1 Nov 78 PY

[Text] Rio de Janeiro, 1 Nov (AFP)--The Argentine war preparations are just the saber rattling of a strident minority which is interested in damaging the 150-year-old Argentine-Chilean brotherhood, Chilean President Augusto Pinochet stated in an interview published today by the magazine MANCHETE.

After stating that his country considers the Beagle Channel issue conclusively solved by the British decision, Pinochet stressed that Chile is a peaceful country and that it will make every effort to maintain peace.

In reply to a question by the MANCHETE reporter on a possible war between Argentina and Chile, Pinochet said: Honestly, I do not want to contribute to a war atmosphere, which I am certain the peoples of Argentina and Chile do not want.

Commenting on the meeting he held in Puerto Montt with his Argentine counterpart, Gen Jorge Rafael Videla, he stated that this meeting was a tangible demonstration of their decision to overcome all existing controversies.

General Videla advocates peace because he is aware of the pain and suffering caused by war, concluded Pinochet.

DEPLOYMENT OF NAVAL SQUADRON REPORTED

PY011727Y Buenos Aires TELAM in Spanish 1556 GMT 1 Nov 78 PY

[Text] Santiago, Chile, 1 Nov (TELAM)--Four units of the Chilean Navy's battle squadron, under the command of Vice Adm Raul Lopez Silva, arrived in Puerto Montt yesterday, while the rest of the ships cast anchor in other ports of the region.

The squadron will remain in the area until tomorrow when it will continue sailing south.

The report released by the Chilean Navy stated that the trip was part of the normal training process, ordered by the navy command.

The ships which went into Puerto Montt, 1,100 km south of this capital and 1,000 km from the Strait of Magellan, included the flagship cruiser "Captain Prat," the destroyer "Portales," the oil tanker "Araucano" and the submarine "Simpson."

The destroyer "Cochrane" cast anchor in the Calbuco zone; the destroyer "Almirante Riveros" in the Curaco de Velez; the frigate "Lynch" and the destroyer "Blanco Encalada" in Ancud, and the destroyer "Almirante Williams" in Castro.

ERCILLA REPORTS 'WAR PSYCHOSIS' IN ARGENTINA

PY012138Y Paris AFP in Spanish 0059 GMT 1 Nov 78 PY

[Text] Santiago, Chile, 31 Oct 78 (AFP)--The magazine ERCILLA writes in its latest edition that Chilean-Argentine relations have reached such a state of tension that those who are most pessimistic believe this could lead to a situation where action replaces words.

The magazine emphasizes in its editorial that the specter of war has mobilized the populations of the two countries and that prayers for peace have multiplied.

It is logical that the hotheads should be put to one side and that wisdom and peace should be imposed, ERCILLA indicates. It warns that the machinery of war has its own momentum and that any lack of control could lead to a catastrophe. Many more things unite Chileans and Argentines than separate them, it writes. A confrontation would only benefit third parties.

Later ERCILLA indicates that grief and backwardness, bitterness and hate would remain behind, inhabiting both sides of the Andes.

In the inner pages of the same edition, ERCILLA has an extensive report from Argentina entitled "War Games." It writes that Argentines today have been indoctrinated: They are living under a war psychosis, and they believe that Chile is a country with expansionist ideas, that it has usurped territory, and that it is attacking Argentine sovereignty. The magazine then indicates that the press is aggressive toward Chile, which is called a warmonger. It reports that trade with Chile is almost at a standstill: The $350-400 million yearly transactions no longer exist.

It concludes: Regarding military affairs, arms, ammunition and materiel of an offensive nature are being purchased in what are unusual and disproportionate quantities in view of Argentina's economic situation and its professions of peace.

CUBILLOS DISCUSSES TRIP TO PRC, EUROPE

PY021240Y Santiago Chile Domestic Service in Spanish 1000 GMT 2 Nov 78 PY

[Text] Chilean Foreign Minister Hernan Cubillos' visit to Europe and the PRC was successful. The series of positive agreements achieved as a result of the foreign minister's tour through the PRC will take effect in the next few months.

The foreign minister returned to Chile after a 24-day tour which included the United States, Asia and Europe.

PRC Ambassador Hu Cheng-fang and other PRC Embassy officials in Santiago welcomed Cubillos on his arrival in Santiago at Pudahuel Airport.

Cubillos reported that in his meeting with Pope John Paul II, they discussed peace and he also informed the pope about the true situation of the Argentine-Chilean border dispute. In this regard, he explained to the pope Chile's peaceful tradition and the existing interest for solving the situation in a peaceful manner.

The foreign minister made this statement in a brief, impromptu press conference at the airport. Cubillos said he was happy to be back in Chile after having traveled more than 32,000 km.

The foreign minister stated that his tour had three main objectives: To strengthen and establish new international contacts; to present to the authorities of other countries the Chilean position; and to strengthen friendship ties with the PRC.

Cubillos declined to give details of this trip or of the negotiations until after he has given a full report to President Pinochet. Regarding his meeting with the pope, Cubillos said that it was a strictly private meeting and was conducted without an interpreter because both spoke in English. Cubillos said: We spoke of peace.

Regarding his trip to the PRC, he noted his 6-hour meeting with Foreign Minister Huang Hua and with Vice Premier Teng Hsiao-ping, whom he described as the genuine architect of the PRC opening.

In addition to expressing his confidence in the results of the negotiations of the mixed Chilean-Argentine commission, Cubillos promised to hold an extensive press conference in a few days to give details of his negotiations abroad.

90-PERCENT TURNOUT REPORTED IN UNION ELECTIONS

PY010205Y Santiago Chile Cadena Agricultura in Spanish 2300 GMT 31 Oct 78 PY

[Text] The National Directorate of Social Communications has said that those enterprises which for some reason were not able to hold union elections today will be able to do so in the next few days.

It also emphasized that more than 90 percent of the unions participated in the voting. It added that the election of new labor leaders was conducted throughout the country with great enthusiasm because the workers participated in it without being pressured. It added that the workers voted in accordance with the new guidelines [words indistinct].

In Valparaiso, the provincial governor, Capt (Hernan Sepulveda), and the regional secretary of the Labor Ministry, (Octavio Fuensalida), reported that the union elections in private enterprises were carried out normally. They said that the response of the private sector to the government decision was excellent and that the government provided all the necessary material for the elections. Illiterates also voted [words indistinct].

MILDLY FAVORABLE PS REACTION TO ECONOMY REPORTED

PY302131Y Santiago Chile ERCILLA in Spanish 31 Oct 78 pp 19, 21 PY

[Text] "Looking at all the data, the country has experienced effective economic growth during the last 2 years after suffering the worst crisis in the recent history of Chile."

This assertion does not come from the economic team, but from the September issue of the magazine UNIDAD Y LUCHA, an underground publication of the Chilean Socialist Party [PS].

Under the title of "The Imperialist Model," the members of the PS reveal the change of tactics they have experienced along the way. There are no pamphlet attacks. On the contrary, they coldly analyze the economic change which has occurred in the country, something which has "also" caused "bourgeois economists, who are usually critical, to acknowledge the overall validity of the model."

Of course, not everything is laudatory. They are not just standing by with their arms crossed celebrating the success. They propose, as a challenge of current times, to "prepare a coherent and solid program which will be ready before the change of government is posted in the orders of the day."

They then add: "A strategy and a tactic must be sought, and work is already being done on this which will attract the support of every sector that objectively disagrees with the junta's policy but which only seeks to exploit any weaknesses and use the possible advantages of the model."

But what does the PS say about the current economic framework?

It defines it as a new tactic of "imperialism," which saw the "developmentalist" model fail in dependent countries. Unlike years gone by, when a policy of substituting imports was pursued, today there is a tendency to eliminate obstacles to the free exchange of assets and capital. The PS report adds that with this aim, optimum use of labor sources is sought in dependent countries, together with limits on real salaries in imperialist centers.

As proof of this, UNIDAD Y LUCHA adds that both the Chilean and international levels of recovery are not accompanied by a reduction in the levels of unemployment and that growth is only seen in sectors which offer comparative advantages.

To adopt this framework, which according to the PS demands an adequate political instrument, implies alternatives for internal growth. It only cites two: "An open economy subordinated to international capitalism and led by a national, monopolistic and highly efficient bourgeoisie" opposing an independent national program of a socialist stripe, planned and directed by the working class.

According to the PS, the implementation of today's model signified "preparing the ground, both legal and ideological, after the upheaval caused by the capitalist system following 3 years of Popular Unity [UP] government. Today, the reorganization stage already complete, the aim is to consolidate the framework by incorporating its basics into the constitution."

In addition to this criticism, the PS acknowledges that--if it is looked at from a neutral and technical point--while the situation shows evident deterioration in the sectors of wealth, education, access to housing, employment and real salaries, there is clear progress in productivity, normalization of the economy's operation, low inflation, a surplus in the balance of payments, a balanced budget and an increase in nontraditional exports, etc.

This is why they say that "the success must be looked at from a class point of view in order to identify the system's weaknesses, because a large part of the fatalistic forecasts were overcome by success. Even with the enormous social cost, the model was able to hold its own, overcome difficulties and show, from its viewpoint, the successes and the goals achieved."

This is what the PS is afraid of. The same item indicates that currently even those who are most critical are seeking to accomodate themselves and it is only small marginal sectors which are protesting. This is why they are seeking unity.

Unity with the communists? That may be difficult in view of the economic report from Mexico, signed by the former vice president of the Central Bank during the UP government, Hugo Erazio, which only contains virulent attacks against the model and does not even acknowledge figures.

Anyway, irrespective of the viewpoints which adversaries give in their reports, it seems to be clear that the economic policy which the current government is undertaking is the principal point of their worries.

PRESIDENT CENSURES JUDGES CRITICAL OF SECURITY STATUTE

PA012019Y Bogota Cadena Radial Super in Spanish 1100 GMT 1 Nov 78 PA

[Text] Bogota--President Julio Cesar Turbay's accusations against those members of the judicial branch who have publicly criticized the national security statute have prompted a controversy among Colombian magistrates.

Magistrate Jose Maria Velasco, a member of the Supreme Court of Justice and an apparent target of the president's criticism, hastened to indicate that his remarks against his colleagues who approved the statute's constitutionality cannot be interpreted as opposition to the government. The following are President Turbay's charges, which created a stir among judicial circles:

[Begin Turbay Ayala recording] I would like to take this opportunity to express as chief of state my disagreement with those judicial branch officials who have become [word indistinct] and who have voiced opinions against the government's actions as freely as those political leaders who are not limited by any type of barrier in fighting the state's decision.

I do not clearly understand how certain judicial branch officials can really turn into [word indistinct] critics with an academic sense concerning some of the government's actions, and into belligerent opponents of the implementation of the security statutes. [end recording]

Magistrate Velasco Guerrero stated that it is one thing to disagree with a law and another to oppose it.

GOVERNMENT PLEDGES ENFORCEMENT OF DRUG AGREEMENT

PA011931Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 1 Nov 78 PA

[Text] The national government today reiterated its determination to vigorously comply with and enforce the agreement with the United States regarding control of drug trafficking which went into effect today. Justice Minister Huge Escobar Sierra told this station that the government will comply with its commitment because in this way it will be promoting the interests (?of society).

The agreement with the United States on control of drug trafficking involves a number of drastic security measures that will be applied initially in La Guajira Department, the center of criminal activity in Colombia.

BRIEFS

ANTIKIDNAPING FORCE CREATED--Bogota, 29 Oct (EFE)--Colombia today created a specialized security force to protect officials and persons likely to fall prey to kidnapers, Administrative Department of Security Chief Rafael Poveda Alfonso said in a broadcast. The first group is made up of 120 specially trained men. [Madrid EFE in Spanish 1700 GMT 29 Oct 78 PA]

FADI, OTHER GROUPS DEMAND BREAK WITH SOMOZA REGIME

PA011602Y Quito Cadena del Triunfo in Spanish 1255 GMT 1 Nov 78 PA

[Text] The leftwing Broad Front [FADI] and many labor and mass organizations have demanded that the Ecuadorean Government break off diplomatic relations with the Somoza dictatorship. The demand was made in a declaration entitled "For the Liberation of Nicaragua," which was signed by representatives of various organizations during a public ceremony last night at the Casa del Obrero.

Fernando Maldonado, secretary general of the Revolutionary Socialist party, outlined the declaration for Radio Quito:

[Begin Maldonado recording] This declaration is very important because it reflects the decision of vast popular sectors who have expressed solidarity with the Nicaraguan people in one way or another.

At the FADI's initiative, many organizations have joined together to establish a national coordination committee of solidarity with Nicaragua. [end recording]

FINANCE MINISTER ACKNOWLEDGES END OF OIL BOOM

PA011528Y Quito Cadena del Triunfo in Spanish 1255 GMT 1 Nov 78 PA

[Text] Finance Minister Juan Reyna has said that we have to live with reality, work harder and pay more taxes. Reyna, who is apparently the last secretary of state for the economic sector [as heard], said that the oil boom which occurred under two military administrations is over. He noted that the Ecuadorean economic bonanza is past and that revenue from oil is diminishing.

In an impromptu statement following the regular cabinet meeting on Tuesday, Reyna said that the high domestic consumption of oil has resulted in a reduction in oil exports and thus in revenue deriving from such exports. Minister Reyna said that to compensate for this it is necessary to turn to revenue from regular taxes. He also admitted that the so-called oil boom which the Ecuadorean economy has enjoyed since 1972 has ended.

The general made a statement to the effect that the country no longer has the resources that it did during the heyday of oil. Therefore, the economic bonanza no longer exists. We have to begin considering the problem in real terms. That is, we must realize that Ecuador's future growth must be based on its traditional financial resources and not on oil because, as a result of high domestic consumption, oil is no longer a great source of revenue for public investment.

For example, the minister added, oil represents only some 3 billion [sucres] in the budget. Therefore, we have to depend on traditional taxes. We must collect income taxes, direct taxes, taxes on businesses, and customs duties on exports and imports. The country's future economy must be based on these sources of revenue. We must not expect oil to last forever. The president has already made statements in this regard--that there is no longer a bonanza because there is no longer as much oil.

Asked what will come next, Reyna said: We have to live with reality. Asked what he meant by reality, Reyna said: Reality is that we must work harder and pay more taxes.

NATIONAL ASSEMBLY PRESIDENT CALLS EMERGENCY SESSION

PA011231Y Madrid EFE in Spanish 0951 GMT 1 Nov 78 PA

[Text] Lima, 1 Nov (EFE)--Victor Raul Haya de la Torre, president of the Peruvian National Assembly, called a secret emergency session tonight to study certain documents of national importance. It was rumored in political circles that incidents had occurred on the border between Chile and Peru. Meanwhile, demonstrators of various political persuasions created serious disturbances in front of the assembly building in downtown Lima and a shootout ensued which lasted for over 1 hour. Furthermore, the Peasants and Workers National Front last night submitted a proposal to the assembly's Directorate and to the press requesting that the territories of Tarapaca and Arica, which were ceded to Chile after the 1879 war, be reincorporated into Peru.

ASSEMBLY URGES CHILE, ARGENTINA TO SETTLE PROBLEMS PEACEFULLY

PA011944Y Buenos Aires LATIN in Spanish 1723 GMT 1 Nov 78 PA

[Excerpts] Lima, 1 Nov (LATIN)--The Constituent Assembly has urged Argentina and Chile to peacefully settle their controversy over the Beagle Channel in order to preserve peace on the American continent. At a secret meeting held last night, the deputies of the various political sectors unanimously approved a motion to make a fraternal appeal to the two countries. "It will be a serious threat to peace in the Americas if the two countries do not continue with their (peaceful) efforts to settle the controversy," the document said. The assembly recommended that all Latin American legislative bodies be contacted in order to "invite them" to join "the vigorous joint effort of the legislative bodies to achieve a peaceful settlement of the controversy between Chile and Argentina." Civil Aeronautics Minister Gen Jorge Tamayo today declined comment on the dispute between Argentina and Chile. He said laconically during a news conference that "Peru maintains a policy of neutrality and respects the decisions of the governments."

AEROPERU DIRECTOR DENIES IRREGULARITIES IN LOCKHEED CONTRACT

PA011533Y Madrid EFE in Spanish 031 GMT 1 Nov 78 PA

[Text] Lima, 31 Oct (EFE)--Gen Frank Tweddle, president of the state enterprise Aeroperu today denied news reports about "serious irregularities" in recent dealings with Lockheed. Tweddle said that the accusations made in the latest edition of the radical left's Lima magazine MARKA were "false and tendentious." During a news conference, General Tweddle said that Aeroperu rented a Tristar L-1011-1 from Lockheed in a completely legal procedure and under "very advantageous" conditions for Peru. He said that the contract does not obligate the Peruvian firm to purchase an L-1011-500 as the magazine asserts in a lengthy article entitled "Scandalous Purchase of Planes." General Tweddle admitted, however, that Aeroperu must pay Lockheed a "support" of $2.85 million in monthly payments of $300,000 that will serve as the initial payment for the purchase of the L-1011-500. A letter of intention "expressing interest" in the aircraft has been issued. Tweddle also stated that monthly payments of $250,000 will be made during the 32 months that the plane will be rented, for a total of $8 million. General Tweddle also refuted Marxist Deputy Carlos Malpica's statements at the Constituent Assembly and asked Assembly President Victor Raul Haya de la Torre to order an investigation of the contracts. Tweddle said that Aeroperu had initially received bids from Airbus, Douglas, Eastern, Boeing, and even from the Soviet enterprise Ilyushin and noted that the first four companies had asked for rent payments that were twice as large as those requested by Lockheed and that the fifth did not have the technical capabilities that were required.

FOREIGN MINISTER COMMENTS ON REFUGEE SITUATION

PA011427Y Caracas Diplomatic Information Service in Spanish 1220 GMT 31 Oct 78 PA

[Text] Caracas, 31 Oct (VENPRES)--Foreign Minister Simon Alberto Consalvi said today that there are 170 refugees in the Venezuelan Embassy in Nicaragua, making it necessary to increase the Venezuelan staff there in order to provide better service.

The foreign minister made this statement at Miraflores Palace shortly after the end of the weekly meeting of the Council of Ministers.

He added that Gen Anastasio Somoza's government has already granted safe-conducts to 40 refugees and that they are expected to arrive in Venezuela in the next few days.

Regarding measures which the Venezuelan Government has taken to aid this large number, the minister said: [words indistinct]. We have adopted emergency measures to feed that many people. We have had to send additional [words indistinct].

Asked to what extent this continuous flow of refugees to the Venezuelan Embassy in Managua constitutes a problem, the minister said: "That is a problem which we expect to be resolved at any moment, whenever there ceases to be a need for people in Managua to seek asylum."

Asked about the possibility of renewed diplomatic relations with Uruguay, the minister said that comments in the press in this regard are pure speculation.

BRIEFS

ORINOCO OIL ESTIMATES--Caracas, 24 Oct (VENPRES)--Conservative estimates have set the Orinoco oil belt deposits at 600 billion barrels, an estimate which is far above the original 260 billion. A report to this effect was made by the exploration and reserves division of the Energy and Mines Ministry. The reserve extends over a vast area from Calabozo, Guarico State, to Tucupita in the Orinoco delta. On 16 October Venezuela and West Germany signed a scientific technological agreement related to exploration and exploitation techniques to be used in the oil strip. [Caracas Diplomatic Information Service in Spanish 2002 GMT 25 Oct 78 PA]

GOVERNMENT REFUSES TO ACCEPT MORE SANDINISTS

PA011940Y Panama City Circuito RPC Television in Spanish 1800 GMT 1 Nov 78 PA

[Text] The Panamanian Government has refused to receive some 98 Nicaraguan Sandinist guerrillas captured by the Honduran Army in September. Honduras had intended to send the guerrillas to Panama.

This information was released today in Tegucigalpa by Herman Allan [as heard], press secretary of the Honduran military junta, who also announced that negotiations are underway with other friendly governments to give political asylum to the insurgents.

Honduras recently sent 83 guerrillas to Panama in a Panamanian Air Force Electra, but so far it is not known in Honduras why Panama has refused to give asylum to the other Nicaraguan guerrillas.

TEACHERS ISSUE 5-POINT COMMUNIQUE ON STRIKE

PA011240Y Panama City MATUTINO in Spanish 1 Nov 78 pp 1A, 8B PA

[Excerpts] Spokesmen for the Association of Professors of the Republic of Panama, the Authentic Independent Teachers Association and the Association of Private Schools have delivered a five-point communique to Education Minister Gustavo Garcia de Paredes outlining the position of their organizations on the problems they raised with the national government. They stress their confidence in and acceptance of the measures to be implemented through work committees of educators and officials and point out that they reject the offer made by the government to increase their salaries by 40 balboas beginning in January 1979 and 15 balboas in June 1980.

In a speech to the teachers and the country, Garcia de Paredes specifically noted that the Education Ministry has accepted a number of fundamental points in its reply to the teachers. The minister said: "It does not provide complete answers to many of the specific demands of the educators because we have tried to give answers we can comply with. I do not think I would have agreed to all of your demands just to avoid the problem. I think it is important not to think of today, but of tomorrow."

Prior to the minister's speech, Julio Ortiz made the following observations on behalf of the organizations involved in the strike: Abiding by what has been agreed and referring to the consultations our organizations have carried out with their rank and file and our evaluation of the answers and the attachments thereto, we have reached the following conclusions:

1. To reject the salary offers. We regard them as impositions of the central government and greatly less than our genuine aspirations, which are in line with the current inflation in the country.

2. To accept [presumably the overall government offer] but to maintain a vigilant attitude regarding compliance with the points submitted in the list.

3. To continue our struggle until we obtain full compliance with the rightful aspirations of Panamanian educators.

4. To remain alert until a salary policy is announced for teachers which permits Panamanian educators to lead a decorous, worthy life, consistent with their position in Panamanian society.

5. To set up various commissions along with members of the representative teachers' organizations.

COSTA RICA

GOVERNMENT COLLUSION WITH GROUP OF 12 DENIED

PA011402Y San Jose Radio Reloj in Spanish 1200 GMT 1 Nov 78 PA

[Text] Nicaraguan radio stations are talking about an arrangement between the Costa Rican Government and the Group of 12. They claim that this was reported on Radio Reloj's newscasts, which is completely false. The Nicaraguans tnemselves have asked us to comment about what was broadcast in Nicaragua by the National Broadcast System. To answer the questions of many Nicaraguans who have arrived in this country in the past few hours, we would like to make it clear that we have never talked about arrangements between the Costa Rican Government and the Group of 12 in our newscasts. [Words indistint] that they will be given the San Juan River when they seize power.

BRIEFS

ROMANIAN CREDIT--The Government of Romania has given Costa Rica $10 million credit in line with an agreement signed by Vice Foreign Minister Bernard Niehaus during his recent visit to that country. This is the first credit that this administration has received from a socialist nation. The credit is for the purchase of Romanian-made tools and equipment. The credit was made through the Central Bank. [Text] [San Jose Radio Reloj in Spanish 1200 GMT 31 Oct 78 PA]

NICARAGUA

FAO TO RESUME FIGHTING IF SOMOZA REJECTS DEMANDS

PA012132Y Paris AFP in Spanish 2033 GMT 1 Nov 78 PA

[By Horacio Ruiz]

[Excerpts] Managua, 1 Nov (AFP)--The Broad Opposition Front (FAO) threatened here today to take up arms again if Nicaraguan President Anastasio Somoza rejects the political plan proposed by the political, professional and trade union groups, a front spokesman confirmed.

The deputies and senators of Somoza's Nationalist Liberal Party today came out in strong terms against the "absurd plan, intended to give the opposition parties political power that they never would have gained in normal elections." The government legislators led by their spokesman, Luis Pallais Debayle, President Somoza's cousin, also noted that if the international mediation commission exerts too much pressure on the chief of state to accept the FAO's demands, they will resign. This decision would in effect be the equivalent of a "technical coup d'etat" of unforeseeable consequences. President Somoza still has not stated his position regarding the Broad Opposition Front's plan, but all indications are that he will flatly reject it, placing the country at the brink of a new and very dangerous political crisis, observers projected.

In this atmosphere of pessimism in the country, many observers feel that fighting will inevitably be resumed in Nicaragua even if the president finally accepts some of the demands of the opposition. The newspapers and radio stations in the capital every day are reporting new arrests and disappearances of opposition figures. They also report finding bodies of Sandinist militants or sympathizers throughout the country. For opposition circles that are unarmed, this means that paramilitary groups are trying to put down a new nationwide insurrection similar to last September's before it breaks out. Those clashes resulted in the death of several thousand people, mostly noncombatants, and the partial destruction of five cities.

FSLN WILL CONTINUE HARASSMENT OF NATIONAL GUARD

PA011417Y San Jose Radio Reloj in Spanish 1200 GMT 1 Nov 78 PA

[Text] Plutarco Elias Hernandez, a member of the Sandinist National Liberation Front [FSLN], has stated that the FSLN's latest decision is to continue harassment operations, attacks on National Guard patrols and bank robberies to obtain money for weapons in the struggle that will lead to Somoza's fall. Regarding the confrontation that took place 6 km from Penas Blancas, Commander Hernandez said that he is waiting for additional information.

SANDINISTS KILLED IN TWO CLASHES IN WEST

PA020242Y Paris AFP in Spanish 0213 GMT 2 Nov 78 PA

[Text] Managua, 1 Nov (AFP)--It has been officially reported that eight Sandinist guerrillas, including one woman, were killed today in two clashes with the National Guard in western Nicaragua.

Military units today attacked a guerrilla training camp located at km 128 of the Managua-Chinandega Highway in western Nicaragua. The guerrillas clashed with the army and sustained six casualties, including one woman.

Other units were sent later to a rural area known as Candelaria, a short distance from Chinandega and 2 km from the previous site. The units received heavy fire from a Sandinist group that lost two men.

The army did not report any casualties, but said that it had confiscated a large amount of weapons of various calibers and ammunition as well as 100 sticks of dynamite. It also seized plans for future armed actions in the area.

INCIDENTS REPORTED ON SOUTHERN BORDER FROM 13 OCTOBER

PA020325Y Managua Domestic Service in Spanish 0120 GMT 2 Nov 78 PA

[Text] Since 13 October, undesirable mercenaries have been provoking incidents in the southern border region. For the past few days the Nicaraguan National Guard has reported a number of border incidents promoted by undesirable communists. Nicaragua's vigilance over its southern area, the area bordering Costa Rica--which has been giving broad and unrestricted support to Sandinist communists who continue to try to destroy the firm democratic and republican structure of Nicaragua. [sentence as heard]

Col Aquiles Aranda Escobar, chief of the National Guard Legal and Public Relations Office, has said that the Foreign Ministry has protested to the Costa Rican Government about the incidents, but the provocations increased. At 2120 on 30 October, invading mercenaries attacked police patrols stationed in the place known as El Carmen in Nicaraguan territory.

CONGRESS APPOINTS COMMITTEES TO STUDY FAO PROPOSALS

PA012328Y Panama City ACAN in Spanish 2130 GMT 1 Nov 78 PA

[Excerpts] Managua, 1 Nov (ACAN-EFE)--The two houses of Congress proceeded yesterday to appoint separate committees to study and give their opinion on the ramifications of the national unity government proposed by the Broad Opposition Front (FAO). Motions submitted by the official parties in the Chamber of Deputies and the Senate were the cause of heated debates.

Conservative Party (opposition) congressmen argued that although the FAO document has some constitutional contradictions, its main demands are negotiable, but added that Congress could not give an opinion because the document had not been officially submitted to congress.

President Somoza and his party, the Nationalist Liberal Party (PLN), have been studying the opposition's proposal, and it was unofficially learned that a reply will be made public on Monday. Liberal Party deputies, through their spokesman Luis Pallais Debayle, who presided over the session, said that these are important moments for national harmony and the nation's survival.

Most of the government party members in Congress mentioned the lack of prudence and legal force of the FAO's political proposal and called the petition demanding the deportation of its own nationals the most absurd one ever made in a civilized country. FAO's petition subverts the republic's legal structure by asking it to violate the constitution, and Congress should not permit that. A minority does not demand that a legally constituted political entity leave. In this way we are sponsoring violence represented by the Sandinist National Liberation Front (FSLN), and when the rifle speaks, law becomes silent, Liberal Party Senator Gerardo Suarez Lopez said.

FAO Plan Debated

PA021205Y Managua Domestic Service in Spanish 2330 GMT 1 Nov 78 PA

[Text] This is a summary of the debates that have been going on in the Chamber of Deputies in connection with the Broad Opposition Front (FAO) document submitted to President Anastasio Somoza through the OAS mediation commission. As should have been expected, the reaction at the Chamber of Deputies was historic and patriotic. The deputies strongly opposed the demands made by the "organized aggressive front," FAO. The Senate also was in session and similar reactions against the FAO document were evident. Both houses of Congress criticized the document, which deputies and senators said openly violated the consituation.

Conservative Party Deputy Julio Molina Mendoza's support to the deputies of the government party was very significant. Molina Mendoza said: I much regret that the FAO is trying to violate the constitution with its proposal, which has many unconstitutional aspects. We have sworn to respect the constitution and also to insure that it is respected. I am sure that none of the Conservative Party deputies will violate their oaths. I realize that the constitution needs to be amended--I have said this often in this chamber--and that laws should not be an obstacle to a nation's sociopolitical development, but today I will insist that we do not violate the constitution, because we would be promoting a coup d'etat and gradually pushing the army to take over. That would have disastrous, regrettable and hard to predict consequences for this poor country.

Deputy Luis Pallais Debayle, who is acting president of the Chamber of Deputies, said in the 31 October session: I must give my opinion on the FAO's document at this important moment for national harmony. The FAO document is a direct attack on the sovereignty of the legislative branch. Pallais Debayle added, this document is not interested in achieving peace; it has many intransigent points that will lead us to a war. How can one be seeking national harmony and at the same time be planning a coup against the legislative, executive and judicial branches, the Electoral Tribunal and the nation's army which, according to the constitution, is in charge of maintaining peace and law and defending the constitution? How can one submit, on behalf of peace, a proposal that is against peace? This proposal is an insult to politicians, citizens and every decent man. As a member of the Liberal Party, I have always been disciplined, but on this occasion if I am asked to vote in favor of that document, I will disobey my party's orders. I would rather resign my seat in Congress before violating the constitution and becoming a traitor to my party and my country.

COMMENTARY TERMS FAO PROPOSAL AS 'STARTING POINT'

PA020334Y Managua Domestic Service in Spanish 2300 GMT 1 Nov 78 PA

[Unattributed commentary: "The Broad Opposition Front Makes Demands but Offers No Solutions"]

[Excerpts] The plural [plural] and stupid coup d'etat that the national unity government plan proposed by the so-called Broad Opposition Front (FAO) represents is, in general terms and without going into minor details, a serious affront to the friendly OAS commission. It stands in the way and frustrates the noble reason for which they came to our country. This plan is very offensive to political equanimity and very removed from reason and historical developments. It also exceeds the commission's authority, which, as should be expected, is limited by the nation's sovereignty and laws.

We must realize that the honorable members of the OAS commission did not come here to dismantle our government, to override the will of the people, to alter the nation's legal order or to take away the mandate from the party of the majority of Nicaraguans. They came here to preside over a dialog, to try to give us some advice, to guarantee the agreements that would lead to peaceful coexistence and the full exercise of democracy for Nicaraguans.

Instead, the FAO pretends to receive public powers from the hands of strangers, powers that can only be obtained through popular elections. It claims that a commission of peace and friendship composed of distinguished representatives of distinguished nations is sponsoring their thirst for vengeance. It is lending itself to serve as an instrument for their political ambitions and for their personal bitterness and hatred. In the meantime, weakened by several desertions at the time the proposal was submitted, the FAO has nothing to offer in exchange and is only hoping to receive something for free through foreign intervention.

President Anastasio Somoza Debayle had already called the nation to a dialog to discuss the people's problems, a step which had been approved by the Catholic Church, the capitalist sector and even leftist groups when the bloody terrorist rebellion took place.

The conditions that the FAO is demanding for peace in the country are, in reality, nothing more than the germ of war. A coup d'etat which promotes more coups is nothing more than the arbitrary action of replacing those who legitimately represent the government. We are going to continue analyzing the FAO's plan for a government just to prove that we are not pessimistic, disillusioned or frustrated--as may be the case with the honorable members of the OAS commission--and that we are making a patriotic effort on behalf of the Nicaraguan people. We are going to assume that this, although an inconceivable proposal, is at least a starting point. [pero punto de partida al fin]

PRESIDENT REPORTS TO CABINET ON NEGOTIATIONS

PA012018Y Managua Domestic Service in Spanish 1800 GMT 1 Nov 78 PA

[Text] Yesterday afternoon President Gen Anastasio Somoza Debayle met again with the members of his cabinet as well as with the presidents and managers of autonomous institutions to report on the development of negotiations aimed at achieving a peaceful and constitutional solution to Nicaragua's situation. The president also wished to instruct them concerning the acceleration of a number of programs aimed at the Nicaraguan people's economic and social improvement. The president later granted extensive interviews to newsman Danilo Arias Madrigal of Costa Rica's Tele 6 newscast and to Eurotelevision producer (G. Peter Bulbus), who arrived from the Netherlands with a team of video and sound experts.

CASTRO CHAIRS MEETING ON SUGAR HARVEST PREPARATIONS

FL011220Y Havana Domestic Service in Spanish 1145 GMT 1 Nov 78 FL

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Council of State and government, yesterday presided at a meeting held to examine the preparations and plans for the next sugar harvest, scheduled to begin this month. The accomplishments in agriculture, industries and other fronts of the country's principal economic activity were fully examined. Fidel gave orders on the policy to be followed in the effort to obtain greater yields in coming years, and appealed to all sectors, urging them to fulfill the sugar plan in the next harvest.

Fidel also noted the need for creating the conditions for an efficient harvest in 1980, citing as basic factors the completion of the planting plan, continuing the development of irrigation systems, adequate repair of sugar mills, giving greater attention to sugarcane railroad transportation, continuing the development of the mechanical industry and, especially, the manufacture of spare parts.

Also chaired by our commander in chief, another meeting was held to examine the fulfillment of the construction plan to date. During it, all factors contributing to the Construction Ministry's production plan were reviewed and orders were given to step up the efforts of all forces so that a better result can be achieved by year's end, above all in industrial projects and others of a social nature.

WORK, LIVING CONDITIONS DISCUSSED AT MEETING ON FAR

FL011251Y Havana Domestic Service in Spanish 1145 GMT 1 Nov 78 FL

[Text] A meeting chaired by Div Gen Senen Casas Regueiro, member of the PCC Central Committee and Council of State and first vice minister-chief of the Revolutionary Armed Forces [FAR] General Staff, was held to assess the fulfillment of first party congress resolutions dealing with the FAR. The state of the material, living and working conditions of officers and troops in general was the topic discussed by the meeting participants.

Brig Gen Sixto Batista Santana, member of the PCC Central Committee and vice minister-chief of the FAR Central Political Directorate, made the opening speech in which he referred to the meeting's objectives, explaining them in detail. Subsequently, five proposals were submitted which reflect the accomplishments of recent years in fulfillment of the guidelines contained in the central report read by our commander in chief to the first party congress and the theses and resolutions adopted by the most important meeting of Cuban communists.

The proposals were enhanced by motions submitted by the participants in the assessment meeting. The closing remarks were made by Div Gen Senen Casas Regueiro, who referred to the quality of the proposals submitted during the meeting which, he said, reflect the accomplishments in improving living conditions in accordance with the party congress' desires. He added that great efforts have been made in all areas.

Elsewhere in his speech he noted that the effort and initiative of chiefs, political workers and party and UJC [Union of Young Communists] organizations are clearly evident in all gains. Casas Regueiro stated that even though the only problems being examined at this time were those related to living conditions, the first party congress had established the guidelines for all military branches and specialities, and stressed that all should be fulfilled by sustaining a consistent effort and developing initiatives.

TEXT PROVIDED OF CASTRO MESSAGE TO ALGERIAN PRESIDENT

ID311436Y Algiers APS in French 1000 GMT 31 Oct 78 ID

[Text] Algiers--On the occasion of the 24th anniversary of the revolution of 1 November, President Houari Boumediene, president of the republic and the Council of the Revolution, has received a message of congratulations sent by Mr Fidel Castro, first secretary of the Cuban Communist Party Central Committee and president of the Cuban Council of State. Following is the text of this message:

"The 24th anniversary of the beginning of the armed struggle for the independence of the Algerian nation constitutes for the government and people of Cuba a happy occasion to express our congratulations and our fraternal greetings to the heroic Algerian people and their leaders. On this memorable date we hail the successes obtained by your people in the economic and social development of the country and in the international arena, where your firm positions in defense of the rights of peoples fighting against imperialism and for their national independence prompts admiration and respect. It gives me pleasure to express to you at the same time our desire to continue to deepen and further develop friendship and cooperation between our two peoples and our two governments, united in the building of a free society in which man will be able to fully develop his capabilities and his creative spirit in building a better world."

SCIENCE, TECHNOLOGY OFFICIAL DEPARTS PARIS FOR ANGOLA

FL011459Y Havana Domestic Service in Spanish 1438 GMT 1 Nov 78 FL

[Text] Zoilo Marinello, president of Cuba's State Committee for Science and Technology, departed Paris today bound for Angola. While in Paris, Marinello headed our country's delegation to the 20th UNESCO general conference, which began on 24 October and is scheduled to end on 28 November. Marinello participated in the first plenary sessions. From now on the Cuban delegation to the UNESCO meeting will be headed by our ambassador to that organization, Hermes Herrera.

RODRIGUEZ MEETS WITH IRAQI INDUSTRY, MINERALS DELEGATION

FL012040Y Havana Domestic Service in Spanish 2034 GMT 1 Nov 78 FL

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has received Qasim Ahmad al-Uraybi, deputy minister of industry and minerals of the Republic of Iraq, and the delegation that is accompanying him.

Matters concerned with relations between the republics of Cuba and Iraq and international issues of interest to the two sides were discussed at the fraternal meeting.

CEMA DELEGATES TOUR CARDENAS PAPER FACTORY

FL011130Y Havana Domestic Service in Spanish 1100 GMT 1 Nov 78 FL

[Text] The heads of delegations participating in the 53d meeting of the CEMA permanent commission for the chemical industry have visited the Capt Guillermo (Haylin) Paper Factory in Cardenas. This factory can produce 23,000 tons of paper per year, using sugarcane bagasse as raw material for the manufacture of books, magazines and school notebooks. The visitors toured the industrial installation and were briefed on its characteristics and operation.

JAMAICA

TERRORIST CAMP FOUND IN STONY HILL VICINITY

FL012030Y Kingston DAILY GLEANER in English 27 Oct 78 p 1 FL

[Text] Six firearms were recovered by a police raiding party at an hastily abandoned camp in rugged terrain out-lying Stony Hill in the hills of West Rural St Andrew on Monday afternoon, according to police sources.

The GLEANER understands that urban terrorists on the run from Warekia Hills, and adjoining "captured areas" of Eastern St Andrew, occupied the camp along with locals.

No confirmation was forthcoming from the police information centre up to press time last night, however.

The GLEANER learnt that five shotguns and a revolver were found in this latest camp discovery as the police pursued investigations into terrorist activity. The shot guns, of home-made and regular makes, included a sawn-off one with a live round.

Also seized in the raid were five flashlights, lighters and flints, dominoes, pain killing medicines, jewellery, pots and eating utensils, Bibles and Delaurence literature.

The camp, reportedly cut out of a bamboo field, was of two tarpaulin tents furnished with bamboo beds and carpeted.

The Delaurence literature of small postcard size read: "God rules, trust him." "Yeshiva meah shea-rim al shaddai addna." The other side showed an astrological drawing.

The GLEANER understands that the camp was occupied by at least ten men, four from outlying areas and six from Kingston, and as a refuge for urban terrorists who had escaped police raiding parties in the Wareika Hills and adjacent rough terrain areas in recent weeks.

In shootouts with the police in the earlier raids five wanted men were shot dead and others escaped. At least ten firearms and ammunition were recovered in those operations.

URBAN TERRORISTS REPORTED MOVING TO WESTMORELAND

FL012035Y Kingston DAILY GLEANER in English 30 Oct 78 p 1 FL

[Text] Urban terrorists on the run have reportedly fled from Kingston to the other end of the island in Westmoreland, according to GLEANER sources.

One, unidentified up to press time, was shot dead by a police raiding party during a gun-battle in Fullersfield on Saturday night.

This was the third such shoot-out in this usually quiet parish in the past three weeks. A policeman was shot in one and the fugitives used a sub-machine gun in it, reports say.

In the first incident on the weekend of October 13 the police attached to Bull Head Station, near Burnt Savannah, encountered gunmen on the main road and in a shoot-out a policeman was shot.

A sub-machine was used by the gunmen and the police were forced to retreat, the reports say.

The police returned to the area the following weekend (October 19) in force. And in another shoot-out the gunmen fled.

The police held one man who was said to be a confederate of the gunmen. His name was not released.

Residents in the parish who are unhappy about the upsurge of violence told the GLEANER that the gunmen, believed to be on the run from the police in the Wareika Hills and adjoining areas in Kingston, had been given refuge by certain local persons active in politics.

They walk openly with their weapons in hands but besides running youths off the streets at night they trouble no one, they said.

The police would make no comment on this aspect.

After shoot-outs in the Warekia Hills and adjoining rugged terrain in which five wanted men were shot dead and ten firearms and ammunition seized, among other item, the police tracked some of the fugitives to Smokey Vale in West Rural St Andrew, in an outlying district of Stony Hill.

There they found two tarpaulin tents in an abandoned camp.

In the earlier raids they destroyed the camps found.

TRINIDAD & TOBAGO

MORE OIL, GAS FOUND 15 KM OFF EAST COAST

FL271745Y Port-of-Spain TRINIDAD GUARDIAN in English 24 Oct 78 p 1 FL

[Staff reporter]

[Excerpts] Trinidad/Tesoro has struck more oil and gas. Its latest find is the well East Galeota No 2, a multiple pay oil and gas discovery being drilled by Santa Fe's semi-submersible drilling vessel, Marinner Three, in 137 feet of water.

The well is loacted in the Atlantic Ocean, 15 miles offshore from the east coast.

According to a Tesoro announcement, four zones were successfully tested.

ACTIVITIES OF CUBAN TRADE DELEGATION REPORTED

FL012055Y Georgetown GUYANA CHRONICLE in English 27 Oct 78 p 3 FL

[Text] Two members of a Cuban trade delegation are at present in the country acquainting themselves with the workings of the Caribbean secretariat and with business organisations in the country.

The delegation is headed by Mr Carlos Lima Dias and the other member is Mr Manuel Aguirre. They have already met with the officer-in-charge of CARICOM, Mr Carl Dundas, and discussed the functioning of the regional organisation.

Yesterday afternoon they had a meeting with the executive members of the Georgetown Chamber of Commerce and are due to leave the country on Friday.

The Georgetown Chamber of Commerce has been invited to send a delegation to Cuba, to look at trading possibilities and to observe commercial patterns in that country.

The invitation was issued to the Guyana business organisation by a two-man Cuban trade team which met executives of the chamber at a special session recently.

Yesterday a top official of the chamber said the invitation would be placed before the full council of the chamber for consideration.

BURNHAM URGES INVESTMENT IN LOCAL DEVELOPMENT

FL012050Y Georgetown GUYANA CHRONICLE in English 28 Oct 78 pp 1, 3 FL

[Text] The audience at the opening session of the 13th biennial conference of the Guyana Labour Union, the country's oldest, is pictured at top listening to the main address by Prime Minister Forbes Burnham, the union's president-on-leave.

Below, the prime minister is greeted on his arrival at Sophia auditorium by GLU General Secretary Stanton Critchlow. The conference was officially declared open by Minister of Health, Housing and Labour Cde Hamilton Green.

Prime Minister Forbes Burnham has issued a grim warning that Guyanese must invest in their own development and that unless the current $180 million deficit in revenue is controlled, the size of the public sector would have to be reduced by at least 12,000 workers.

"Those are the stark realities," he told a large gathering at the Sophia convention centre last night as he delivered the presidential address at the 13th biennial delegates' conference of the country's oldest trade union, the Guyana Labour Union.

In his 90-minute frank and hard-hitting address, Cde Burnham dealt at length with the state of the national economy, the implications of government's recent arrangements with the International Monetary Fund (IMF) and proposals put forward by the local trade union movement for overcoming the current difficulties with special reference to the Dependants' Pension Fund and increased national insurance deductions.

He was severely critical of those persons--including some leaders in the trade union movement--who he said were not familiar with or did not seem to understand the realities of the current world wide economic situation and who continued to shout about the employed whole forgetting the thousands of unemployed.

Cde Burnham listed the escalating price of oil, imported inflation, the manipulation of the prices of Guyana exports and the country's colonial heritage as some of the factors which determine the realities of the country's economic situation. He explained that the world economic order is dominated by the industrialised countries and manipulated by a few rich countries and that in such circumstances there are no friends but only agencies with which developing countries like Guyana must deal.

Some persons, he noted, were in the habit of shouting that the government should seek help from the socialist countries. However, those countries also had problems of their own, and in the case of the Soviet Union, he was informed that that country did not offer financial assistance which was, in fact, the kind of assistance Guyana needed for balance of payment support.

In those circumstances, he explained, government negotiated a standby arrangement with the IMF which placed certain ceilings within which the economy must perform.

Failure to operate within these ceilings, he said, would mean the freezing up of all international financing for local developmental projects such as the Tapakuma, black bush polder, Mahaica-Mahaicony-Abary drainage and irrigation schemes, and the upper Demerara forestry project.

He stressed that in order to reduce the current deficit in revenue the public sector undertakings, except the Guyana Water Authority, must generate a surplus. However, this deficit could not be reduced unless there was increased production.

In addition, overcoming the current difficulties would mean a greater willingness on the part of all Guyanese to invest in development.

And, dealing with the question of investment, the prime minister gave an insight into some of the alternative proposals which were put forward to government by representatives of the trade union movement to replace the increased deductions being made from workers' salaries for the Dependants' Pension Fund (formerly Widows and Orphans' Fund) and the national insurance scheme, most of these spending on the Guyana National Service.

In addition, the union leaders had suggested that government reduce expenditure on its foreign missions, scrap the people's militia, and set up agri-based small industries.

He said government was prepared to accept the proposal for the registering of the self-employed workers providing the trade union movement was prepared to help with the registering of these persons.

Government was also prepared to set up a committee to examine proposals for the setting up of compulsory life insurance scheme and he was sure the union leaders would be prepared to undertake such a challenge.

But the prime minister said he could not agree with proposals for reducing spending on the National Service and on the country's foreign missions. The National Service budget had already been reduced, and that organisation was responsible for 50 per cent of the country's blackeye production and for producing cotton from 12,000 acres for the textile mill when it comes on stream. In additon, the foreign missions were already the "poorest and sorriest" one could find in any country; and it was necessary to maintain contact through those missions with several countries.

He agreed that attention should be paid to setting up more agri-based small industries but considered the proposal for the scrapping of the people's militia as one which almost smacked of subversion.

"I am minister of defence and mine is the judgment of what security forces are necessary for the protection of our territorial integrity," he said to loud applause.